

**Controlled Foods International Ltd.**

**AR48**

# Annual Report 1977





## Financial Highlights

(000's eliminated)

	<u>1977</u>	<u>1976</u>
Revenues .....	<b>\$46,796</b>	\$35,447
Net income for year before extraordinary items .....	<b>1,140</b>	1,225
Net income for year .....	<b>1,404</b>	1,225
Cash flow .....	<b>2,584</b>	2,377
Total assets .....	<b>24,993</b>	20,668
Shareholders' equity .....	<b>8,271</b>	7,111

	<u>1977</u>	<u>1976</u>
Per common share:		
Net income for year before extraordinary income .....	<b>\$ .60</b>	\$ .66
Net income for the year .....	<b>.75</b>	.66
Cash flow .....	<b>1.37</b>	1.27
Shareholders' equity .....	<b>4.39</b>	3.78

	<u>1977</u>	<u>1976</u>
Number of restaurants at end of year:		
A&W's .....	<b>45</b>	45
Fuller's .....	<b>23</b>	22
Corkscrews .....	<b>11</b>	8
Other .....	<b>15</b>	15
	<u><b>94</b></u>	<u>90</u>



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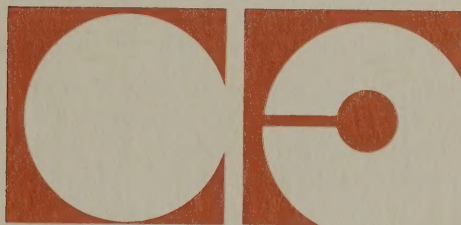
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**CONTROLLED  
FOODS  
INTERNATIONAL  
LTD.**

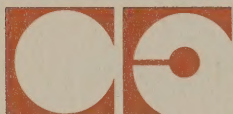
Burnaby B.C.

*Interim Report to Shareholders*



for the Six Months Ended June 30, 1977





### Report to the Shareholders:

In my last report to you at the end of the First Quarter, I explained the problems we had encountered and the corrective measures we were taking. Many of the problems were in the Fuller's division, and although sales volumes in this division have recovered satisfactorily, the profit margins we hoped to attain have not, as yet, been achieved. These changes hopefully will continue to have positive effects on your company's earnings.

We have recovered the loss experienced during the First Quarter, to record a first half profit of 5¢ per share. This represents an earning of 13¢ per share for the quarter now being reported.

Sales for the first six months of this year increased to \$21,383,201. Menu changes and other measures now implemented, offer improved margin potential for the balance of the year.

I am looking forward to reporting future progress to you.

On behalf of the Board,

LeRoy E. Fuller,  
President

August 19, 1977

## CONSOLIDATED STATEMENT OF INCOME

for the Six Months Ended June 30, 1977

(with comparative figures for 1976)

(UNAUDITED)

	1977	1976
Gross Operating Revenues	\$21,383,201	\$16,635,403
Cost of Sales	7,969,441	5,905,145
Operating Expenses	12,141,025	8,922,412
	20,110,466	14,827,557
Operating Profit	1,272,735	1,807,846
Depreciation and Amortization	619,794	445,440
Interest	498,775	370,687
	1,118,569	816,127
Income before Income Taxes	154,166	991,719
Estimated Income Taxes	62,000	480,000
Net Income for the Period	92,166	511,719
Earnings per Share	5¢	28¢

### NOTE:

Earnings per share are calculated on a weighted average of 1,881,900 shares outstanding in 1977 and 1,847,733 shares outstanding in 1976.

## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

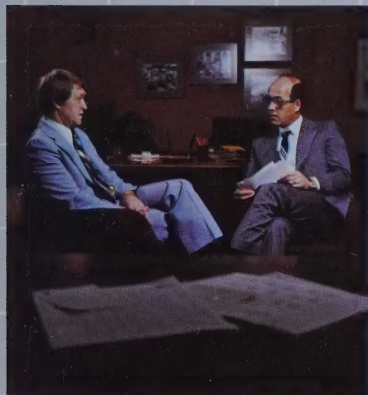
for the Six Months Ended June 30, 1977

(with comparative figures for 1976)

(UNAUDITED)

	1977	1976
Source of Funds:		
Income from Operations	\$ 92,166	\$ 511,719
Add charges not requiring an outlay of funds:		
Depreciation and Amortization	619,794	445,440
Deferred Income Taxes	73,800	—
Loss on disposal of Fixed Assets	10,191	—
Funds Provided by Operations	795,951	957,159
Decrease in Long-Term Receivables	59,306	54,239
Proceeds on Disposal of Fixed Assets	920,257	50,000
Additional Long-Term Debt Financing	2,150,110	691,900
Decrease in Other Assets	42,143	—
	3,967,767	1,753,298
Application of Funds:		
Increase in Long-Term Receivables	90,322	201,769
Purchase of Fixed Assets	1,760,089	1,174,225
Retirement of Long-Term Debt	846,684	449,765
Increase in Other Assets	37,470	198,521
Decrease in Funds on Acquisition of Starview Group of Companies	410,095	—
Reclassification of Note in Acquired Company	374,052	—
	3,518,712	2,024,280
Increase (Decrease) in Working Capital	449,055	(270,982)
Working Capital — January 1	(2,695,063)	(1,234,893)
Working Capital — June 30	(2,246,008)	(1,505,875)

## Chairman's Message



Left: LeRoy E. Fuller, Chairman of the Board and Chief Executive Officer.  
Right: Peter T. Main, President and Chief Operating Officer.

Once again, it is my privilege to review another year of progress in the history of Controlled Foods International Ltd. As in the past, I will attempt in this report to provide both meaningful insight into the past fiscal year's operations while sharing with you a perspective on the future plans for the Company.

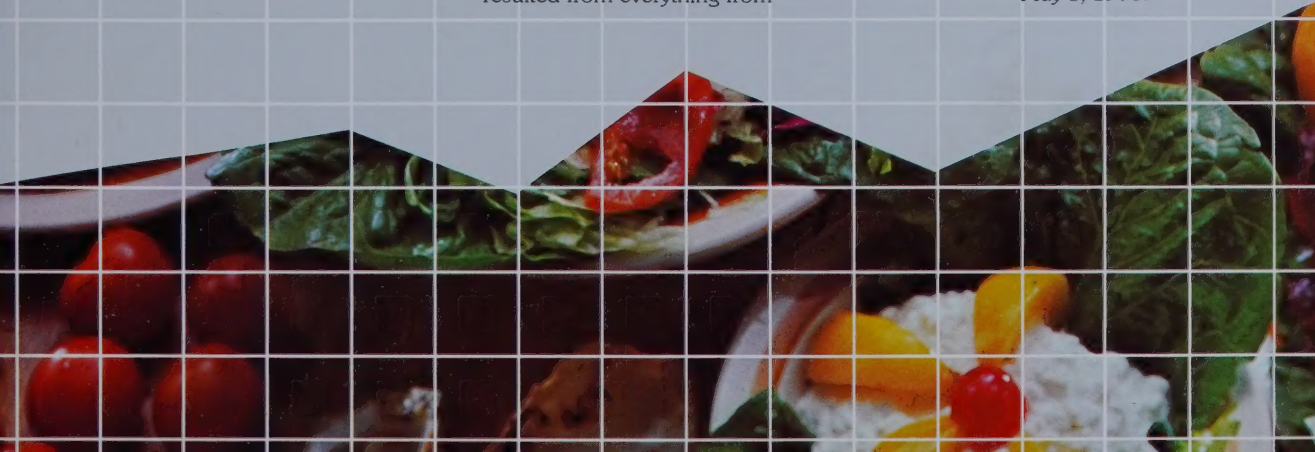
While the balance sheet and income statement of any company are certainly one set of indicators by which to measure that organization's success or failure in a given year, they are seldom adequate by themselves in totally understanding the dynamics of that company and its industry. Similarly, with Controlled Foods International Ltd., while I am more than pleased to report that our total gross revenues increased by 32% over 1976 to a record \$46.8 million and that we achieved after tax earnings of 75¢ per share versus 66¢ per share in 1976; these significant factors are only a part of the 1977 story.

As I have stated in past annual reports, I sincerely believe that the real essence of a company is the quality of people who choose to work in that organization. The people of Controlled Foods showed their real strength in 1977 as they successfully managed through the extremely difficult first half, which resulted from everything from

abnormally adverse weather, a heavy new unit opening schedule plus some mistaken management strategies, to a complete turnaround in the second half of the year. The result is an even stronger Company, more prepared than ever to meet the future challenges. I will elaborate more upon the details of 1977 and specific future plans in the following pages.

Consistent with my beliefs that Controlled Foods International must continually place prime emphasis upon attracting and retaining the best people for each and every position, I decided in 1977 that my talents would best serve the Company's future as Chairman of the Board. It is with pleasure and great confidence that I welcome Mr. Peter Main as your new President and Chief Operating Officer. With this key addition to our senior management ranks, coupled with the ongoing support of all CFI personnel, I am even more optimistic about our Company's ability to realize its full potential in this dynamic food services industry.

On Behalf of the Board,  
May 5, 1978.





## "Looking Back"

For Controlled Foods, the year 1977, while somewhat of a disappointment from the viewpoint of profit growth, was more positively a good test of the real strength of your Company, its products and people.

As indicated in the quarterly reports, returns for the first quarter of 1977 were below expectation. The reasons were many and affected all three divisions. The three new Corkscrew units which opened in late 1976 incurred the normal heavy startup costs and sluggish returns traditionally associated with these new ventures. During the same period, an aggressive plan to simultaneously implement new menus, a new minimum cheque



policy and new operating hours in the Fuller's division was met with greater than expected customer resistance. These factors, coupled with the abnormally severe winter weather which impacted our Eastern Canadian A&W's in the

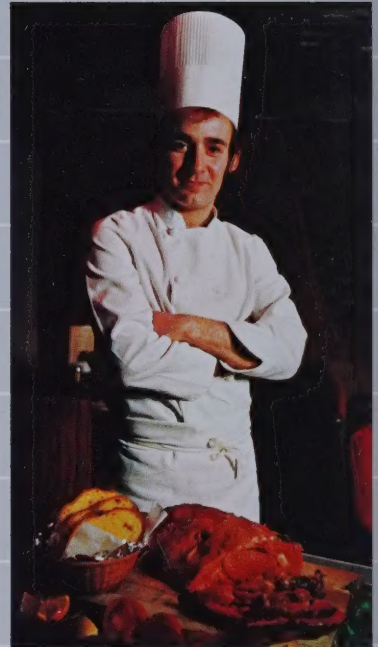
first quarter, all contributed to the poor sales and the operating loss.

Despite these difficulties and the normal demands which were associated with the opening of two more major units (a Corkscrew in Calgary's Toronto Dominion Square and a Fuller's unit in Ottawa), operations were turned around in all three divisions by mid-year. Sales for the first six months topped the \$21 million mark, pre-tax profits amounted to \$154,000 and the Company was able to report a first half profit of 5¢ a share.

Expansion activities with the successful Corkscrew programme continued in the third quarter with the opening of unit numbers 10 and 11 in the Hamilton and Toronto areas. Further menu development in the Fuller's Division plus a new advertising approach helped to strengthen this division.

The third quarter results showed dramatic improvement with earnings of \$870,000 on \$13 million sales, bringing the total sales for the first nine months of 1977 to \$34,341,000 — almost equal to those for all of 1976. Pre-tax profits for the first three quarters were \$1,024,000 and the Company reported earnings of 33¢ a share.

Last quarter sales of \$12 million brought the year-end total to a record \$46,495,000 with the Corkscrew Division recording a substantial increase to \$13,667,000, Fuller's contributing \$13,910,000, A&W units \$13,538,000 and the



remainder of our holdings a combined total of \$5,380,000. Significantly, at the profit line, despite the first quarter loss, the Company realized a pre-tax and pre-extraordinary figure of \$1.8 million or 95¢ per share versus \$1.9 million or \$1.02 per share in 1976.

In summary, the basis for my continuing optimism for the future of your Company was amply demonstrated in 1977. The ability of Controlled Foods' personnel to effectively manage the many diverse challenges presented to them throughout the year is indeed suggestive of a strong basis upon which to build a sound future.





## "Looking Ahead"

The outlook for 1978 has all the indications of being a period of continued strong growth for your Company. But, it will be growth of a slightly different kind, one derived more from maximizing our potential and performance as an organization than from increasing our number of holdings. It will be a growth from within, a sophistication aimed at upgrading our products, promoting greater internal efficiencies and strengthening our total Company for the future.

We anticipate few, if any, new units (although, should the right opportunity arise, we would naturally give it serious consideration), preferring to allow those opened in 1977 to consolidate their positions in the market and begin generating improved profit margins.

In recognition of the continuing growth in sophistication of the eating out habits of the Canadian public, your Company remains committed to an ongoing program of reasearch, development, and testing of new menus, concepts and systems to successfully meet these needs. While the Corkscrew program in its current format has proven immensely successful, we plan to further experiment in 1978 with new menu ideas, alternate approaches to our building design and new marketing programs. Similarly in our Fuller's Division, plans are underway to carefully test a revised building design and interior decor, menu modifications and expanded availability of the already

successful licensed facilities. Our A&W Division will closely follow the new menu, building and promotional approaches currently under test by our franchisor, A&W Canada.

While building upon the extensive management talent within Controlled Foods, we have also made some important additions this year in strengthening our position for the future.

As mentioned earlier, your Company is delighted to welcome aboard Peter Main as your new President and Chief Operating Officer. Peter brings to the position both a wealth of experience in the restaurant and food service industry plus a profound personal commitment to excellence and professionalism in all endeavours.

Key senior additions have also been made in the areas of Human Resources for an expanded approach to manpower training and development and a new Executive Chef and head office test kitchen facility to strengthen our expertise in this key area. Further additions are also planned this year in the areas of marketing and purchasing.

The outlook is bright! Your Company has key entries in each of the three fastest growing segments of the food service industry. We also have the people, resources and plans to optimize our position in these markets and thereby deliver a continuing healthy rate of growth in sales and profits over the years ahead.



# Controlled Foods International Ltd.



## Consolidated Balance Sheet

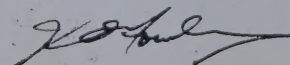
December 31, 1977 and 1976

### ASSETS

	<u>1977</u>	<u>1976</u>
CURRENT:		
Cash and term deposits . . . . .	\$ 1,460,998	\$ 165,561
Notes and accounts receivable (note 2) . . . . .	785,822	929,489
Inventory . . . . .	1,195,376	1,244,598
Prepaid expenses and deposits . . . . .	50,530	138,644
Income taxes recoverable . . . . .	—	367,070
Total current assets . . . . .	<u>3,492,726</u>	<u>2,845,362</u>
NOTES AND ACCOUNTS RECEIVABLE (note 2) . . . . .	565,966	589,732
INVESTMENTS IN JOINT VENTURES (note 3) . . . . .	301,933	297,934
FIXED (note 4) . . . . .	20,326,207	16,626,039
FRANCHISES AND OTHER . . . . .	<u>305,848</u>	<u>309,012</u>
	<u>\$24,992,680</u>	<u>\$20,668,079</u>

On behalf of the Board:

 Director,

 Director,

(See accompanying notes)



## LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>1977</u>	<u>1976</u>
CURRENT:		
Bank indebtedness .....	—	\$ 879,540
Accounts payable and accrued charges .....	<b>\$ 3,191,298</b>	3,947,694
Income and other taxes payable .....	<b>140,669</b>	—
Current portion of long term debt (note 5) .....	<b><u>1,226,022</u></b>	<u>713,191</u>
Total current liabilities .....	<b>4,557,989</b>	5,540,425
 LONG TERM DEBT (note 5) .....	 <b>11,103,963</b>	 7,084,116
 DEFERRED INCOME TAXES .....	 <b>1,060,033</b>	 932,298
 SHAREHOLDERS' EQUITY:		
Share capital (note 6) —		
Authorized:		
4,000,000 shares without par value		
Issued:		
2,717,500 shares .....	<b>3,522,134</b>	3,522,134
Retained earnings (statement 2) .....	<b><u>6,676,682</u></b>	<u>5,517,227</u>
	<b>10,198,816</b>	9,039,361
 Less 835,600 shares acquired and held by the company at cost .....	 <b><u>1,928,121</u></b>	 <u>1,928,121</u>
	<b><u>8,270,695</u></b>	<u>7,111,240</u>
	<b><u>\$24,992,680</u></b>	<u>\$20,668,079</u>

# Controlled Foods International Ltd.



## Consolidated Statement of Income and Retained Earnings

Years ended December 31, 1977 and 1976

	<u>1977</u>	<u>1976</u>
REVENUES:		
Sales .....	<b>\$46,495,217</b>	\$35,283,652
Other income .....	<b>300,551</b>	163,413
	<u><b>46,795,768</b></u>	<u>35,447,065</u>
COST AND EXPENSES:		
Cost of sales .....	<b>17,047,553</b>	12,389,201
Depreciation and amortization of fixed assets .....	<b>1,226,281</b>	910,128
Selling, operating, general and administrative expenses .....	<b>25,423,504</b>	19,344,440
Interest —		
Long term debt .....	<b>1,223,192</b>	774,559
Other .....	<b>91,037</b>	101,429
	<u><b>45,011,567</b></u>	<u>33,519,757</u>
Income before income taxes and extraordinary item .....	<u><b>1,784,201</b></u>	<u>1,927,308</u>
Income taxes:		
Current .....	<b>366,598</b>	358,500
Deferred .....	<b>277,447</b>	343,700
	<u><b>644,045</b></u>	<u>702,200</u>
Income before extraordinary item .....	<b>1,140,156</b>	1,225,108
Extraordinary item (note 7) .....	<u><b>263,946</b></u>	<u>—</u>
NET INCOME FOR YEAR .....	<b>1,404,102</b>	1,225,108
Retained earnings, beginning of year .....	<b>5,517,227</b>	4,357,987
	<b>6,921,329</b>	5,583,095
Dividends (per share — 1977 — 13¢; 1976 — 3.5¢) .....	<u><b>244,647</b></u>	<u>65,868</u>
RETAINED EARNINGS, END OF YEAR .....	<u><b>\$ 6,676,682</b></u>	<u>\$ 5,517,227</u>
Net earnings per share:		
Before extraordinary item .....	<u><b>\$.60</b></u>	<u>\$.66</u>
After extraordinary item .....	<u><b>\$.75</b></u>	<u>\$.66</u>

(See accompanying notes)



# Controlled Foods International Ltd.



## Consolidated Statement of Changes in Financial Position

Years ended December 31, 1977 and 1976

	<u>1977</u>	<u>1976</u>
SOURCE OF FUNDS:		
Operations —		
Income for year before extraordinary item . . . . .	<b>\$1,140,156</b>	\$1,225,108
Charges (credits) not requiring an outlay (receipt) of funds: . . .		
Depreciation and amortization of fixed assets . . . . .	<b>1,226,281</b>	910,128
Amortization of franchises and other assets . . . . .	<b>31,518</b>	33,540
Deferred income taxes . . . . .	<b>277,447</b>	343,700
Gains on disposal of fixed assets . . . . .	<b>(123,081)</b>	(135,157)
Share of losses in joint ventures . . . . .	<b>31,510</b>	—
Total funds from operations. . . . .	<b>2,583,831</b>	2,377,319
Extraordinary item (note 7) . . . . .	<b>263,946</b>	—
Common shares issued . . . . .	—	101,250
Proceeds on disposal of fixed assets . . . . .	<b>2,549,702</b>	429,984
Decrease in other assets . . . . .	<b>114,512</b>	81,672
Long term debt financing. . . . .	<b>5,419,033</b>	2,516,995
	<b><u>10,931,024</u></b>	<u>5,507,220</u>
APPLICATION OF FUNDS:		
Fixed assets acquired . . . . .	<b>7,353,070</b>	5,379,621
Dividends paid . . . . .	<b>244,647</b>	65,868
Increase in other assets . . . . .	<b>268,812</b>	333,076
Investments in joint ventures . . . . .	<b>35,509</b>	297,934
Reduction in long term debt . . . . .	<b>1,399,186</b>	889,844
Capital stock reacquired . . . . .	—	1,047
	<b><u>9,301,224</u></b>	<u>6,967,390</u>
Increase (decrease) in working capital . . . . .	<b>1,629,800</b>	(1,460,170)
Working capital deficiency, beginning of year . . . . .	<b>2,695,063</b>	1,234,893
Working capital deficiency, end of year . . . . .	<b><u>\$1,065,263</u></b>	<u>\$2,695,063</u>

(See accompanying notes)

# Notes to Consolidated Financial Statements

## 1. Accounting policies —

The following is a summary of significant accounting policies used in the preparation of these financial statements.

### (a) Principles of consolidation:

The financial statements consolidate the accounts of Controlled Foods International Ltd. and its subsidiaries, all of which are wholly-owned.

### (b) Inventory:

Inventories of food and packaging are valued at the lower of cost and net realizable value.

### (c) Depreciation:

Depreciation is computed on the straight-line basis over the estimated useful life of the assets at rates varying from 5% to 20%. Leasehold improvements are amortized over the life of the applicable lease.

### (d) Amortization of other assets:

Franchises are amortized on a straight-line basis over the terms of the contractual agreements.

### (e) Income taxes:

In accounting for income taxes the companies follow the tax allocation method in which the major timing difference relates to the depreciation of fixed assets.

No recognition has been made in the accounts for possible future tax reductions of \$130,000 resulting from costs recorded in the accounts in excess of those claimed for tax purposes.

Taxes on income for 1977 have been reduced by \$16,000 by claiming the 3% inventory allowance and by \$157,000 by claiming the investment tax credit as permitted under the Income Tax Act, Canada.

## 2. Notes and accounts receivable —

Included in current and long term notes and accounts receivable are amounts due from shareholders, directors and officers of \$254,625 (1976 — \$284,725). Of the total outstanding, \$51,250 was advanced during the year for the purchase of shares under the company's stock purchase plan.

## 3. Investments in joint ventures —

Investments in joint ventures are accounted for by the equity method and comprise:

	Investment	Accumulated net losses	Balance December 31, 1977
Battlefield Holdings . . .	\$137,825	\$31,300	\$106,525
Parkway Plaza . . . . .	153,504	561	152,943
T.P.S. Holdings . . . . .	47,300	4,835	42,465
	<u>\$338,629</u>	<u>\$36,696</u>	<u>\$301,933</u>

## 4. Fixed assets —

Fixed assets are carried at cost which includes the excess of the cost of investments in subsidiaries over their underlying net book values at date of acquisition and comprise:

	Cost	Accumulated depreciation and amortization	1977 Net value	1976 Net value
Buildings . . . . .	\$ 7,013,894	\$1,560,024	\$ 5,453,870	\$ 3,347,494
Equipment, signs, fences and paving . . . . .	7,152,599	3,081,885	4,070,714	4,511,925
Leasehold improvements . . . . .	7,318,481	992,752	6,325,729	4,921,232
	<u>21,484,974</u>	<u>5,634,661</u>	<u>15,850,313</u>	<u>12,780,651</u>
Land . . . . .	4,475,894	—	4,475,894	3,845,388
	<u>\$25,960,868</u>	<u>\$5,634,661</u>	<u>\$20,326,207</u>	<u>\$16,626,039</u>

## 5. Long term debt —

Long term debt consists of:

	1977	1976
Bank loan — with interest at 2% over the bank's prime rate, repayable in monthly instalments of varying amounts with the balance due August 31, 1980 . . . . .	\$ 2,431,992	\$2,887,992
Bank loan — with interest at 2% over		

	1977	1976
the bank's prime rate, repayable in monthly instalments of varying amounts with the balance due June 1, 1983 . . . . .	2,849,064	1,527,142
Mortgages and agreements — with interest rates from 7% to 13% and maturing at various dates to March 2006, secured by charges against land and buildings . . . . .	6,548,102	3,074,675



	1977	1976
Notes payable .....	—	3,750
Land purchase commitment — due March, 1993 .....	250,000	250,000
Lien notes payable — due at various dates to March 1982, secured by charges against certain equipment. ....	250,827	53,748
	12,329,985	7,797,307
Less amounts due within one year. ....	1,226,022	713,191
	<u>\$11,103,963</u>	<u>\$7,084,116</u>

Principal amounts repayable over the next five years are as follows:

1978 — \$1,226,000	1981 — \$2,760,000
1979 — \$1,370,000	1982 — \$2,230,000
1980 — \$2,940,000	

The company has assigned as collateral for its bank indebtedness a registered demand debenture in the amount of \$7,000,000 providing fixed and floating charges against the assets of the company and its subsidiaries.

#### 6. Share capital —

At December 31, 1977 an option to an employee to purchase 1,000 shares at \$2.50 per share was outstanding. This option expires June 30, 1978.

#### 7. Extraordinary item —

The extraordinary item of \$263,946 is a result of an income tax recovery on the application of a loss carry forward.

#### 8. Statutory information —

Remuneration of directors and senior officers (as defined by the British Columbia Companies Act) amounted to:

	1977	1976
Number of directors	5	5
Number of officers	9	5
Number of officers who are also directors	3	3
Aggregate remuneration of directors and officers .....	\$502,103	\$358,126

#### 9. Commitments —

Certain subsidiary companies have entered into leases of equipment and real property for varying terms up to a maximum of twenty-four years with rentals varying in some instances with gross revenues, taxes, insurance and other occupancy charges. Minimum rentals for the succeeding five years are as follows:

1978 — \$2,740,000
1979 — \$2,680,000
1980 — \$2,600,000
1981 — \$2,530,000
1982 — \$2,240,000

#### 10. Anti-Inflation program —

The company is subject to mandatory compliance with the controls on prices, profit margins, dividends and employee compensation imposed under the Anti-Inflation Act presently scheduled to be in force until December 31, 1978.

It is the company's policy to make appropriate provisions for the effect, if any, of the program on the results of its operations. Management is of the opinion that the company is in compliance with the requirements of the Anti-Inflation Act.

#### 11. Contingent liability —

A subsidiary is contingently liable in the amount of \$1,616,970 as guarantor of a bank loan of one of the joint ventures referred to in note 3.

## Auditors' Report

To the Shareholders of Controlled Foods International Ltd.:

We have examined the consolidated balance sheet of Controlled Foods International Ltd. as at December 31, 1977 and the consolidated statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1977 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, Canada,  
March 10, 1978.

*Clarke, Gordon & Co.*  
Chartered Accountants

## Five Year Statistical Review

(000's eliminated)

	<u>1977</u>	<u>1976</u>	<u>1975</u>	<u>1974</u>	<u>1973</u>
Sales .....	<b>\$46,495</b>	\$35,284	\$33,054	\$26,906	\$20,381
Other Income .....	<b>301</b>	163	81	179	101
	<b><u>46,796</u></b>	<u>35,447</u>	<u>33,135</u>	<u>27,085</u>	<u>20,482</u>
Cost of Sales .....	<b>17,048</b>	12,389	11,497	9,168	7,132
Operating Expenses .....	<b>25,424</b>	19,345	18,246	14,963	11,396
	<b><u>42,472</u></b>	<u>31,734</u>	<u>29,743</u>	<u>24,131</u>	<u>18,528</u>
Operating Profit .....	<b>4,324</b>	3,713	3,392	2,954	1,954
Depreciation and amortization .....	<b>1,226</b>	910	829	696	488
Interest .....	<b>1,314</b>	876	705	762	338
	<b><u>2,540</u></b>	<u>1,786</u>	<u>1,534</u>	<u>1,458</u>	<u>826</u>
Income before taxes .....	<b>1,784</b>	1,927	1,858	1,496	1,128
Income taxes .....	<b>644</b>	702	836	763	527
Income before extraordinary items ....	<b>1,140</b>	1,225	1,022	733	601
Extraordinary income .....	<b>264</b>	—	—	52	132
Net income for year .....	<b>\$ 1,404</b>	\$ 1,225	\$ 1,022	\$ 785	\$ 733
Average number of shares outstanding .	<b>\$ 1,882</b>	\$ 1,864	\$ 2,004	\$ 2,516	\$ 2,660
Earnings per share before extraordinary items .....	<b>\$ .60</b>	\$ .66	\$ .51	\$ .29	\$ .23
Earnings per share .....	<b>\$ .75</b>	\$ .66	\$ .51	\$ .31	\$ .28





Annual Sales





# Controlled Foods International Ltd.



## DIRECTORS

Kenneth A. Fowler  
LeRoy E. Fuller  
Peter T. Main  
Chesley J. McConnell  
Joseph C. Murphy  
Robert R. Roe

## AUDIT COMMITTEE

Kenneth A. Fowler  
Joseph C. Murphy

## HEAD OFFICE

Vancouver, Canada

## SOLICITORS

Davis & Company

## TRANSFER AGENT

Canada Permanent Trust Company

## AUDITORS

Clarkson, Gordon & Co.

## BANKERS

The Mercantile Bank of Canada

## STOCK LISTING

The Toronto Stock Exchange  
Symbol: CFS





## Restaurant Locations

### CORKSCREW RESTAURANTS

#### Alberta:

Edmonton — 3  
Calgary — 2

#### Ontario:

Hamilton — 1  
London — 1  
Kitchener — 1  
Toronto — 2

#### British Columbia:

Richmond — 1

### FULLER'S RESTAURANTS

#### Alberta:

Calgary — 4  
Edmonton — 5

#### British Columbia:

Vancouver — 1

#### Ontario:

Hamilton — 1  
Ottawa — 4  
Toronto — 4  
Peterborough — 1

#### Quebec:

Hull — 1

#### Saskatchewan:

Regina — 1  
Saskatoon — 1

### MISSISSAUGA'S SQUARE ONE SHOPPING CENTRE

(Served by 10 fast food bars)  
in addition to Fuller's, Corkscrew,  
and Buffalo Bill's.

### OTHER RESTAURANTS

#### Buffalo Bills:

Edmonton — 1  
Mississauga — 1

#### Fuller's Jr.:

Edmonton — 1

#### Jerry's Malt Shop:

Mississauga — 1  
Kitchener — 1

#### Hickory House:

Winnipeg — 1

### A&W DRIVE-INS

#### Alberta:

Edmonton — 12

#### British Columbia:

Abbotsford — 1  
Campbell River — 1  
Chilliwack — 1  
Courtenay — 1  
Duncan — 1  
Haney — 1  
Langley — 1  
Nanaimo — 1  
Port Coquitlam — 1  
Victoria — 4

#### Ontario:

Belleville — 1  
Brockville — 1  
Cornwall — 1  
Kingston — 1  
London — 4  
Niagara Falls — 1  
Oakville — 1  
Port Credit — 1  
St. Catharines — 2  
Stratford — 1  
Trenton — 1  
Welland — 2  
Woodstock — 1

#### Quebec:

Sherbrooke — 2





